Electronically Recorded

Official Public Records

Tarrant County Texas

2008 Sep 12 09:02 AM Fee: \$ 20.00

D208355457

NOTICE OF CONFIDENTIALITY RIGHTS: A NATURAL PERSON MAY REMOVE OR STRIKE ANY OR ALL OF THE FOLLOWING INFORMATION BEFORE IT IS FILED IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.

XTO REV PROD 88 (7-69) PAID UP (04/17/07)B

OIL, GAS AND MINERAL LEASE

THIS AGREEMENT made this the 4th day of April, 2008, between <u>Beatriz Murillo</u>, a single person Lessor (whether one or more), whose address is: <u>3920 Delaware Trl, Fort Worth Tx, 761352815</u>, and <u>XTO Energy Inc.</u>, whose address is: <u>810 Houston St., Fort Worth, Texas 76102</u>, Lessee, WITNESSETH:

1. Lessor, in consideration of ten dollars and other valuable consideration, receipt of which is hereby acknowledged, and of the covenants and agreements of Lessee hereinafter contained, does hereby grant, lease and let unto Lessee the land covered hereby for the purposes and with the exclusive right of exploring, drilling, mining and operating for, producing and owning oil, gas, sulphur and all other minerals (whether or not similar to those mentioned), together with the right to make surveys on said land, lay pipe lines, establish and utilize facilities for surface or subsurface disposal of salt water, construct roads and bridges, dig canals, build tanks, power stations, telephone lines, employee houses and other structures on said land, necessary or useful in Lessee's operations in exploring, drilling for, producing, treating, storing and transporting minerals produced from the land covered hereby or any other land adjacent thereto. The land covered hereby, herein called "said land," is located in the County of Tarrant, State of Texas, and is described as follows:

Blk 8 Lot 20 of Lake Worth Heights Addition an addition to the City of Lake Worth , Tarrant County, Texas according to the plat thereof recorded in Volume 388-23, page 48, plat records, Tarrant County Texas, including streets, easements and alleyways adjacent thereto

This lease also covers and includes, in addition to that above described, all land, if any, contiguous or adjacent to or adjoining the land above described and (a) owned or claimed by Lessor by limitation, prescription, possession, reversion, after-acquired title or unrecorded instrument or (b) as to which Lessor has a preference right of acquisition. Lessor agrees to execute any supplemental instrument requested by Lessee for a more complete or accurate description of said land. For the purpose of determining the amount of any bonus or other payment hereunder, said land shall be deemed to contain 0.22302 acres, whether actually containing more or less, and the above recital of acreage in any tract shall be deemed to be the true acreage thereof. Lessor accepts the bonus as lump sum consideration for this lease and all rights and options hereunder.

- 2. Unless sooner terminated or longer kept in force under other provisions hereof, this lease shall remain in force for a term of three (3) years from the date hereof, hereinafter called "primary term," and as long thereafter as operations, as hereinafter defined, are conducted upon said land with no cessation for more than ninety (90) consecutive days.
- 3. As royalty, Lessee covenants and agrees: (a) To deliver to the credit of Lessor, in the pipe line to which Lessee may connect its wells, the equal 23% part of all oil produced and saved by Lessee from said land, or from time to time, at the option of Lessee, to pay Lessor the equal 23% part of all oil produced and saved by Lessee from said land, or from time to time, at the option of Lessee, to pay Lessor the everage posted market price of such 23% part of such oil at the wells as of the day it is run to the pipe line or storage tanks, Lessor's interest, in either case, to bear 23% of the cost of treating oil to render it marketable pipe line oil; (b) To pay Lessor on gas and casinghead gas produced off said land (1) when sold by Lessee, 23% of the amount realized by Lessee, computed at the mouth of the well, or (2) when used by Lessee off said land or in the manufacture of gasoline or other products, the market value, at the mouth of the well, or (2) when used by Lessee off said land or in the manufacture of gasoline or other products, the market value, at the mouth of the well, or (2) when used by Lessee off said land or in the manufacture of gasoline or other minerals mined and marketed or the mouth of the well, or (2) when used the explication of the primary term or at any time or times thereafter, there is any well on said land or on lands with which said
- paragraph 5 hereof. In the event of assignment of this lease in whole or in part, liability for payment hereunder shall rest excusively on the then owner or owners of this leases, severally as to acreage owned by each.

 4. Lessee is hereby granted the right, at its option, to pool or unitize any land covered by this lease with any other land, clease, or leases, as to any or all minerals or horizons, so as to establish units containing not more than 80 surface acres, plus 10% acreage tolerance; provided, however, units may be enlarged as to any one or more existing units may be enlarged as to any one or more horizons, so as to contain not more than 80 surface acres plus 10% acreage tolerance, if limited to one or more of the following: (1) gas, other than cassinghead gas, (2) liquid hydrocarbons (condensate) which are not liquids in the subsurface reservoir, (3) minerals produced from wells classified as gas wells by the conservation agency having jurisdiction. If larger units than any of those herein permitted, either at the time established, or after enlargement, are permitted or required united from the public of the executing an instrument is of required to acreage the right of the executing an instrument identifying such unit and filing it for record in the public office in which this lease is opported as the provision, then such unit shall become effective on the date such unit shall be considered by a substitution of the public office in which this lease is in force. In the public office in which this lease is in force the public office in which this lease is in force the public office in which this lease is in force the public office in which this lease is informed to the public office in which this lease is in force the public office in which this lease options may be exercised by Lessee at any time and from time to time while this lease is in force, and the public office in which this lease is in force the public office in which this lease with a substitution of the public office in which this lease wi

Initials BM ~

- 5. Lessee may at any time and from time to time execute and deliver to Lessor or file for record a release or releases of this lease as to any part or all of said land or of any mineral or horizon thereunder, and thereby be relieved of all obligations, as to the released acreage or interest.
- 6. Whenever used in this lease the word "operations" shall mean operations for and/or any of the following: drilling, testing, completing, reworking, recompleting, deepening, sidetracking, plugging back or repairing of a well in search for or in an endeavor to obtain production of oil, gas, sulphur or other minerals, excavating a mine, production of oil, gas, sulphur or other mineral, whether or not in paying quantities.
- 7. Lessee shall have the use, free from royalty, of water, other than from Lessor's water wells, and of oil and gas produced from said land in all operations hereunder. Lessee shall have the right at any time to remove all machinery and fixtures placed on said land, including the right to draw and remove casing. No well shall be drilled nearer than 200 feet to the house or barn now on said land without the consent of the Lessor. Lessee shall pay for damages caused by its operations to growing crops and timber on said land.
- 8. The rights and estate of any party hereto may be assigned from time to time in whole or in part and as to any mineral or horizon. All of the covenants, obligations, and considerations of this lease shall extend to and be binding upon the parties hereto, their heirs, successors, howsoever effected, shall increase the obligations or diminish the rights of Lessee, including, but not limited to, the location and drilling of wells successors or assigns, no change or division in the ownership of said land, royalties, or other moneys, or any part thereof, and the measurement of production. Notwithstanding any other actual or constructive knowledge or notice thereof of or to Lessee, its successors or assigns, no change or division in the ownership of said land or of the royalties, or other moneys, or the right to receive the same, howsoever effected, shall be binding upon the then record owner of this lease until sixty (60) days after there has been furnished to division, supported by either originals or duly certified copies of the instruments which have been properly filed for record and which evidence such record owner to establish the validity of such change or division. If any such change in ownership occurs by reason of the death of the bank provided for above.
- 9. In the event Lessor considers that Lessee has not complied with all its obligations hereunder, both express and implied, Lessor shall notify Lessee in writing, setting out specifically in what respects Lessee has breached this contract. Lessee shall then have sixty (60) days after receipt of said notice within which to meet or commence to meet all or any part of the breaches alleged by Lessor. The service of said notice shall be precedent to the bringing of any action by Lessor on said lease for any cause, and no such action shall be brought until the lapse of any of the alleged breaches shall be deemed an admission or presumption that Lessee has failed to perform all its obligations hereunder. If this operations to constitute a drilling or maximum allowable unit under applicable governmental regulations, (but in no event less that forty acres), existing spacing rules require; and (2) any part of said land included in a pooled unit on which there are operations. Lessee shall also have such surface facilities necessary or convenient for current operations.
- 10. Lessor hereby warrants and agrees to defend title to said land against the claims of all persons whomsoever. Lessor's rights and interests hereunder shall be charged primarily with any mortgages, taxes or other liens, or interest and other charges on said land, but Lessor rights of the holder thereof and to deduct amounts so paid from royalties or other payments payable or which may become payable to Lessor entire and undivided fee simple estate (whether Lessor's interest in the oil, gas, sulphur, or other minerals in all or any part of said land than the moneys accruing from any part as to which this lease covers less than such full interest, shall be paid only in the proportion which the interest (whether or not owned by Lessor) shall be paid out of the royalty herein provided. This lease shall be binding upon each party who executes it without regard to whether it is executed by all those named herein as Lessor.
- 11. If, while this lease is in force, at, or after the expiration of the primary term hereof, it is not being continued in force by reason of the shut-in well provisions of paragraph 3 hereof, and Lessee is not conducting operations on said land by reason of (1) any law, order, rule or regulation, reasonable control of Lessee, the primary term hereof shall be extended until the first anniversary date hereof occurring ninety (90) or more occurred.
- 12. Lessor agrees that this lease covers and includes any and all of Lessor's rights in and to any existing well(s) and/or wellbore(s) on said land, other than existing water wells, and for all purposes of this lease the re-entry and use by Lessee of any existing well and/or wellbore shall be deemed the same as the drilling of a new well.

- 13. Notwithstanding anything to the contrary contained in this lease, at the option of Lessee, which may be exercised by Lessee giving notice to Lessor, a well which has been drilled and Lessee intends to frac shall be deemed a well capable of producing in paying 14. As a result of tand development in the vicinity of said land, governmental rules or ordinances regarding well sites, and/or surface restrictions as may be set forth in this lease and/or other leases in the vicinity, surface locations for well sites in the vicinity may be limited and operations are either restricted or not allowed on said land or other leases in the vicinity, it is agreed that any such operations conducted at a associated with a directional well for the purpose of drilling, reworking, producing or other operations under said land or lands pooled therewith, surface locations or pooling provisions or restrictions contained in this lease, except as expressly stated.
- 15. It is the desire of Lessee to obtain from Lessor an Option to Extend the term of this lease for an additional two years from the expiration date of the primary term of this lease. Lessee may exercise their Option by an additional payment of \$3500.00 per mineral acre. This option may date hereof. If Lessee elects not to exercise this option, this option will terminate on the expiration date of the lease.
 - 16. Notwithstanding anything to the contrary contained in this lease, this lease is a No Surface Occupancy Lease.

IN WITNESS WHEREOF, this instrument is executed	on the date first above written.
LESSOR(S) Bletzy muerillo Beatriz Murillo	
	(ACKNOWLEDGMENT FOR INDIVIDUAL) 4 kday of fan, has 2008 by Beagariz Murillo , a single person.
BRUCE MASON PINCKARD Notary Public, State of Texas My Commission Expires April 01, 2012	Signature My Motary Public Notary Public Printed Bryce Macon Processor

Seal: